

Market Pulse

Analysis of the key trends in the SME sector,
prepared by Fitzgerald Power on a quarterly basis.

Q2 2025



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Summary Q2 2025

Irish Economy

The Central Bank Quarterly Bulletin for Q2 2025 reports domestic activity grew by 1% in Q1, driven by consumer and government spending despite weaker investment. Employment rose 3.3% year-on-year, with unemployment steady at 4.3% as labour demand eased. Headline GDP surged on a 64% rise in US exports, boosted by pharmaceutical output and anticipated tariffs. MDD is forecast to grow 2% in 2025, at a slower pace than previous years. MNE sectors rose 42%, domestic sectors grew 1.3%, and the Business Cycle Indicator signalled above-average growth despite softer sentiment.

Global Economy

In Euromonitor International's Q2 2025 baseline forecasts, global real GDP growth is now forecast to slow to 2.9% in both 2025 and 2026, down from 3.2%, driven by weaker US and China prospects and rising trade tensions. Growth in advanced economies is set to ease to 1.4% in 2025, with the Eurozone lagging at 0.9%. US growth is projected to slow to 1.8% despite potential support from tax cuts, as supply chain and policy risks weigh.

Housing Market

Irish median house prices rose 9.5% year on year in Q2 2025 to €370,000 - up 51% since 2020, per Geowox data. Sales volumes fell 13%, but demand stayed strong for energy efficient and new homes, which sold at large premiums. Dublin remains the most expensive market, with Dublin 6 leading at €800,000; Donegal had the lowest median price at €179,000.

Tourism Trends

CSO data shows, visitor numbers to Ireland fell just 2% in June, easing sharply from double digit declines earlier this year. Over 650,000 tourists spent €646.5m, down 5.5% year on year, while average stay length rose to 7.9 nights. Britain remained the top market, with growth from the US and Germany; most visitors came for holidays or to see family.

Debt Pressure

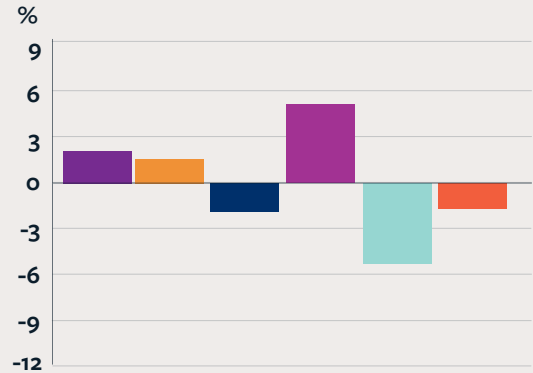
Research from Bibby Financial Services reveals 38% of Irish SMEs wrote off bad debts last year, averaging €25,000 each, though this marks a 28% drop. Delayed payments remain a major strain, with unpaid invoices averaging €72,000 and cashflow challenges hitting growth plans. Despite this, 92% plan to invest - mainly in staff, recruitment and digital tech - showing strong resilience and ambition.

Revenue Pulse

The total value of seasonally adjusted annual sales was 0.5% higher in June 2025 than in May 2025 and was up by 3.1% when compared with June 2024.

Sales Growth

Annual change to June 2025



Sector

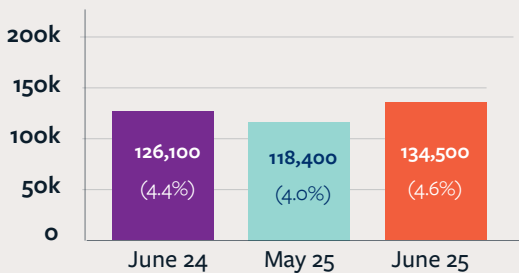
- Motor Trades 2.0%
- Department Stores 1.8%
- Food, Beverage & Tobacco -1.9%
- Clothing, Footwear & Textiles 4.9%
- Hardware, Paints & Glass -5.2%
- Bars -1.7%

SOURCE: CSO

Employment Pulse

The number of people unemployed increased by 8,400 in June 2025 when compared to the same period in 2024.

Unemployment Rate

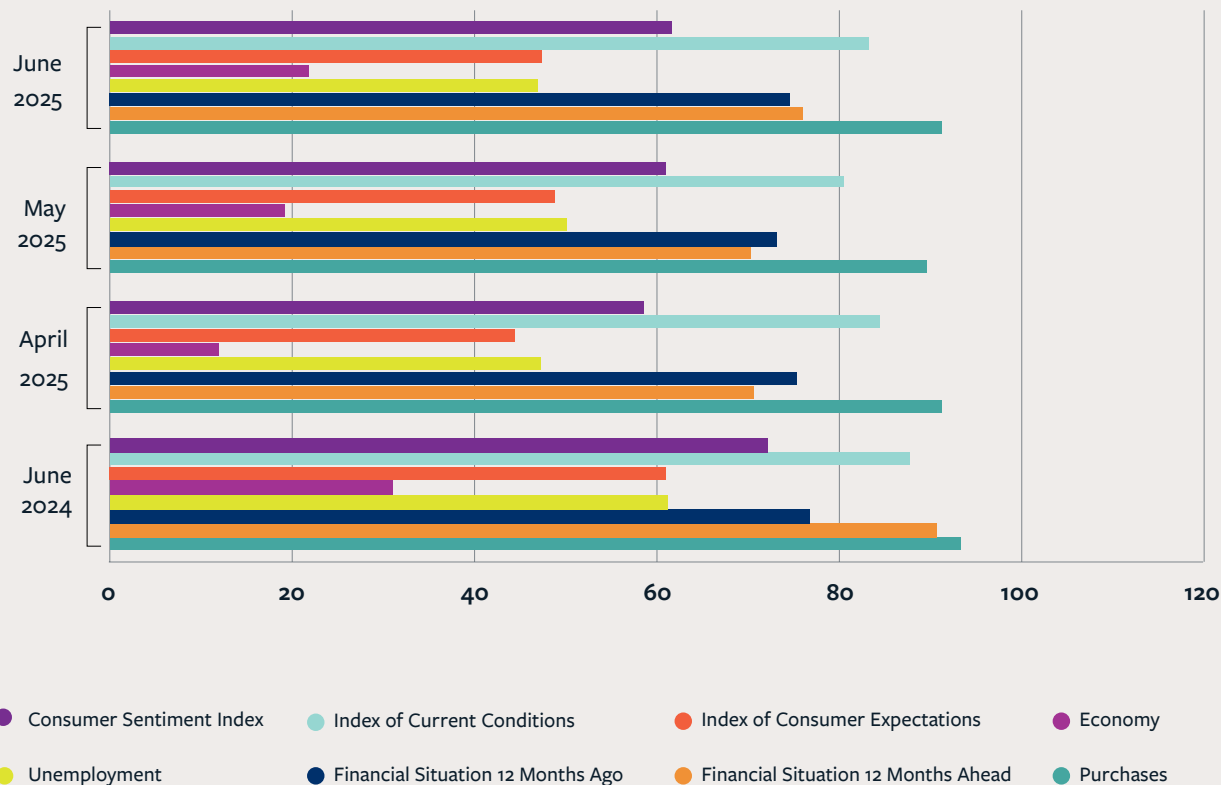


SOURCE: CSO

Consumer Pulse

Irish consumer sentiment edged up slightly in June, supported by lower oil prices, easing tariff threats, and continued economic growth. However, persistent concerns over global conflicts and rising living costs mean the overall mood remains cautious and uncertain.

Credit Union Consumer Sentiment Index

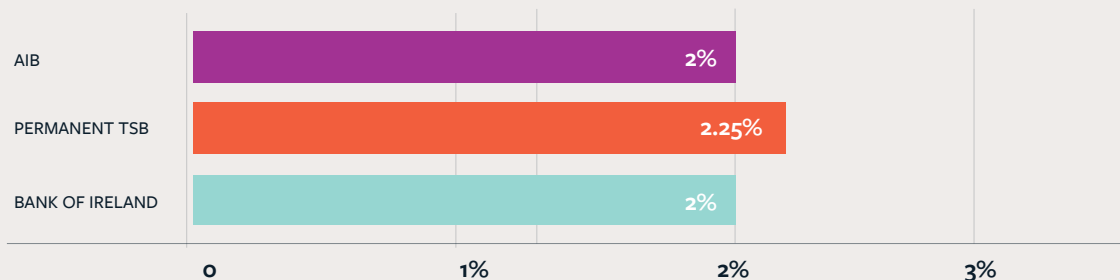


SOURCE: CREDIT UNION

Deposit Rate Pulse

12-month fixed bank deposit interest rates have decreased for Permanent TSB and Bank of Ireland over the 1st quarter, a trend that will likely continue as European Central Bank interest rates are further reduced.

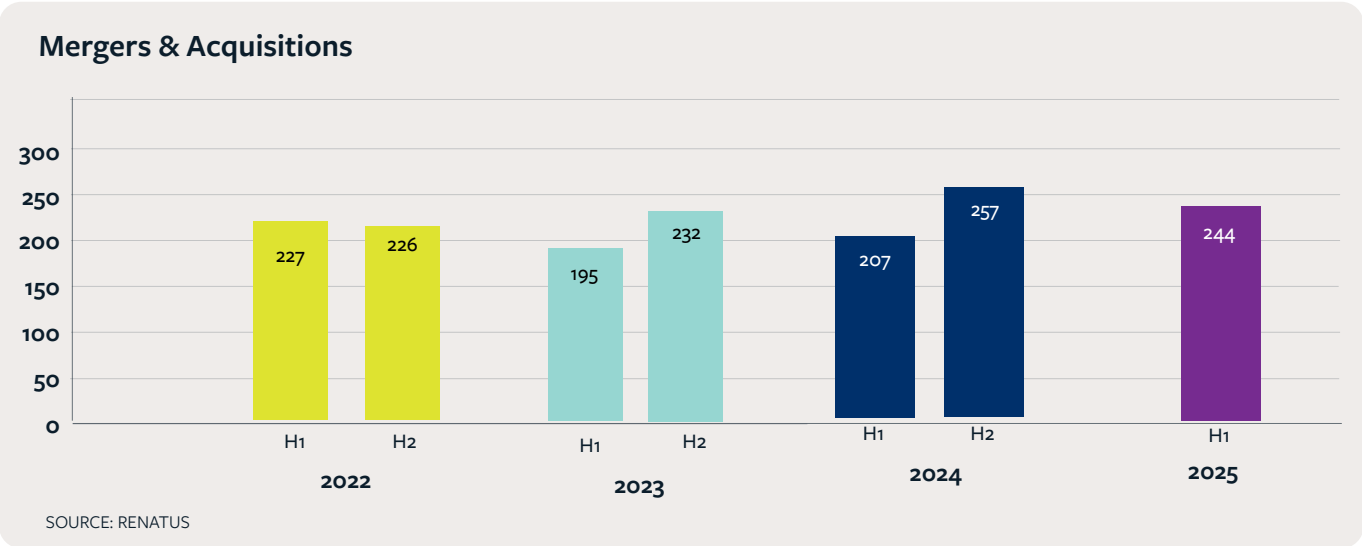
Bank Deposit Rates



SOURCE: FITZGERALD POWER

Mergers & Acquisitions Pulse

The Renatus Bi-Annual Report reveals Ireland’s M&A activity remained strong in H1 2025 with 244 deals, up 18% year-on-year, driven by financial services consolidation and resilient SME succession sales. Private equity-backed trade buyers led deal-making with 70 deals, while inbound acquisitions from the UK and US grew significantly. Despite global uncertainties, stable macroeconomic conditions and strong market fundamentals support a positive outlook for H2 2025.





Renatus data shows 244 deals recorded in H1 '25, an 18% increase on H1 '24 (207 deals).



Irish-based entities completed 72 acquisitions in H1 '25, up from 69 in H1 '24.

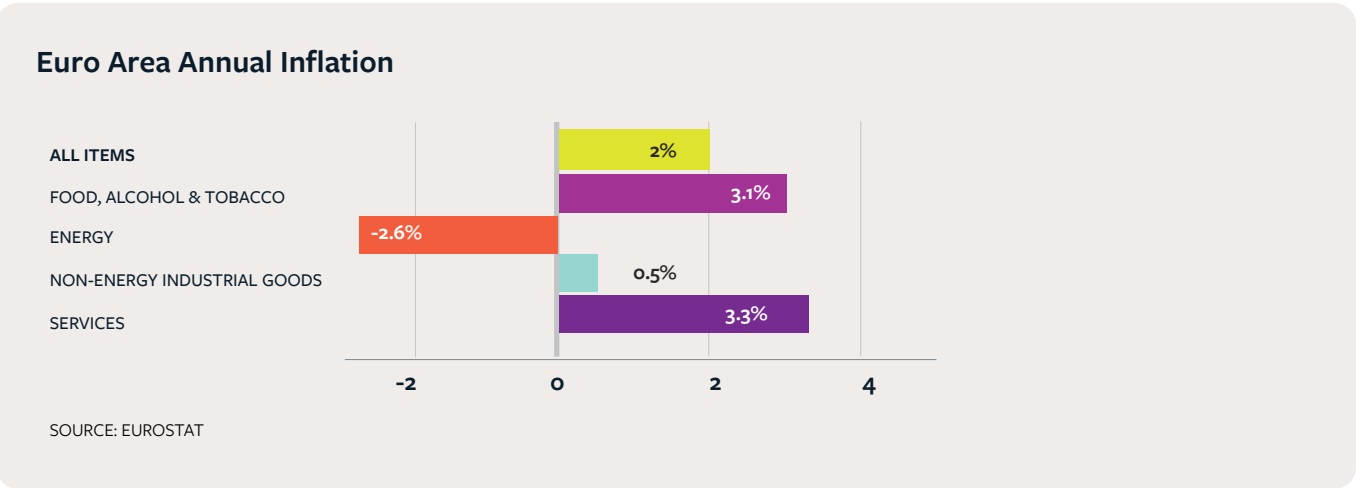


Of the 244 transactions in H1 '25, 101 (c. 41%) were conducted by international acquirers compared to 58 (c. 28%) in H1 '24.

SOURCE: RENATUS

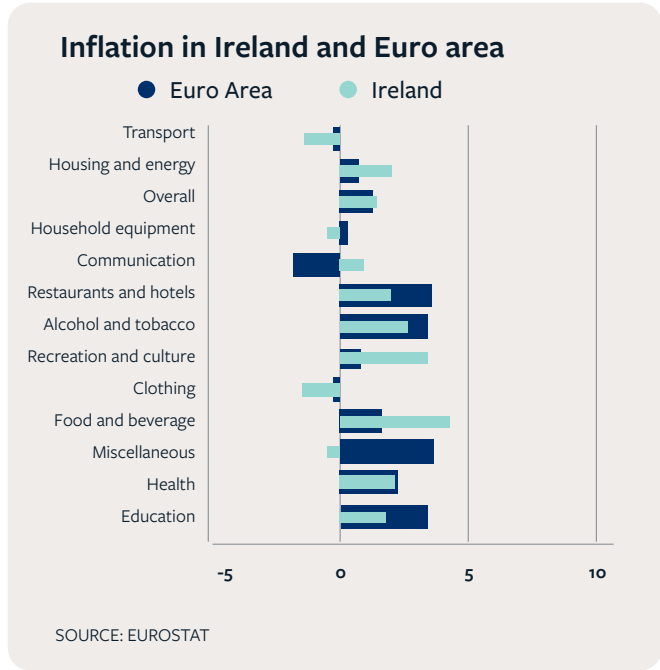
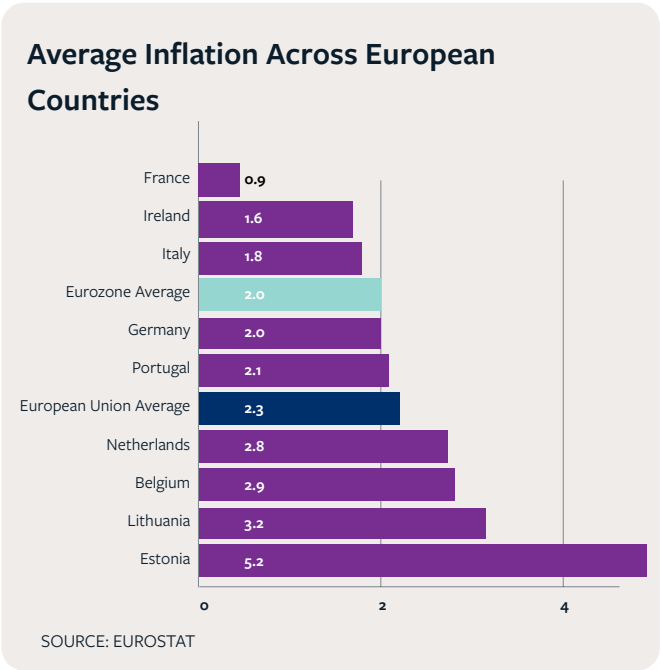
Inflation Pulse

The euro area annual inflation rate was 2.0% in June 2025, up from 1.9% in May. A year earlier, the rate was 2.5%.



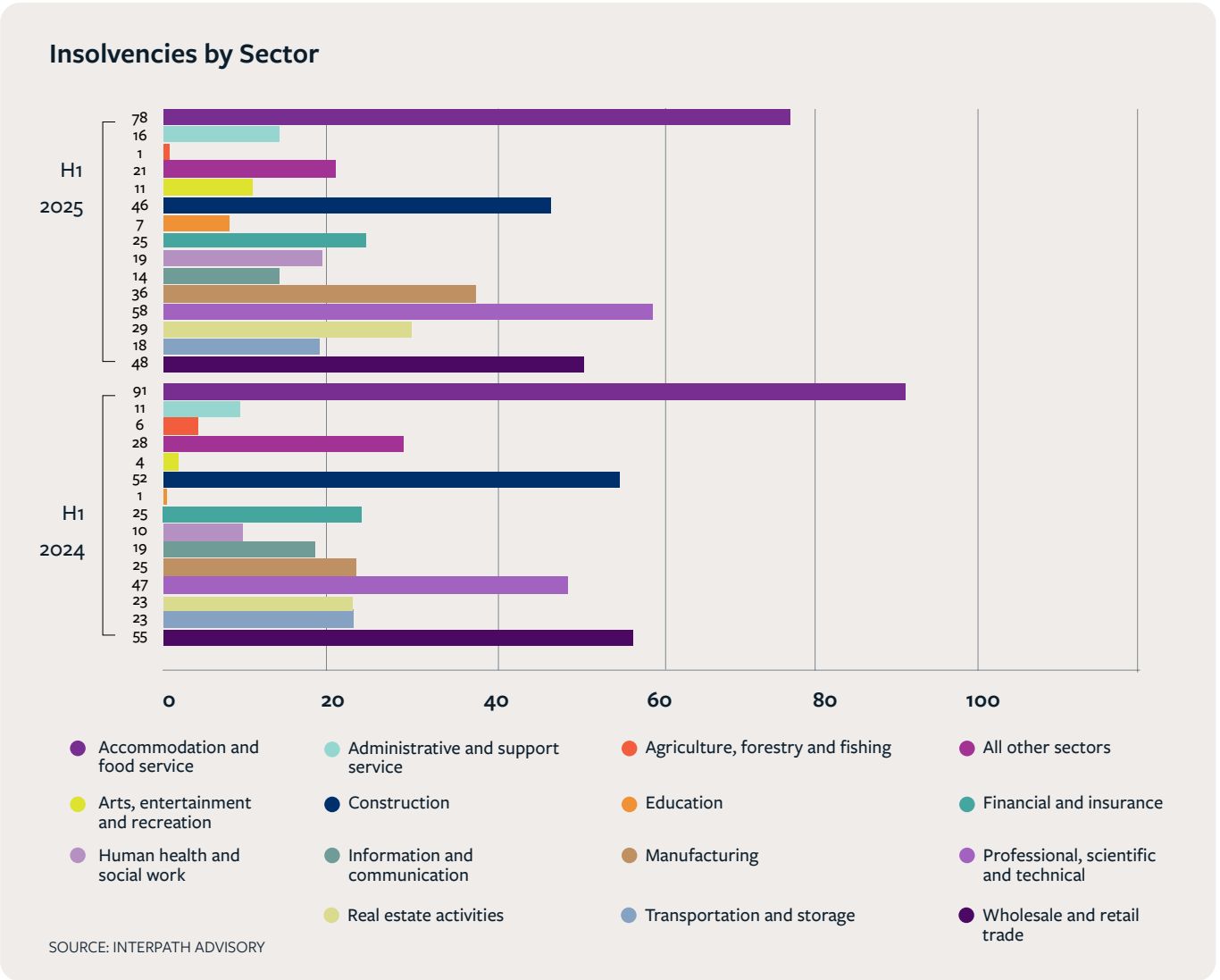
Ireland's level of inflation at 1.6% is below the Eurozone average of 2.0%.

Ireland is on a par, or below, the Euro Area average for inflation in most components, apart from Housing & Energy, Communication, Recreation & Culture and Food & Beverage.

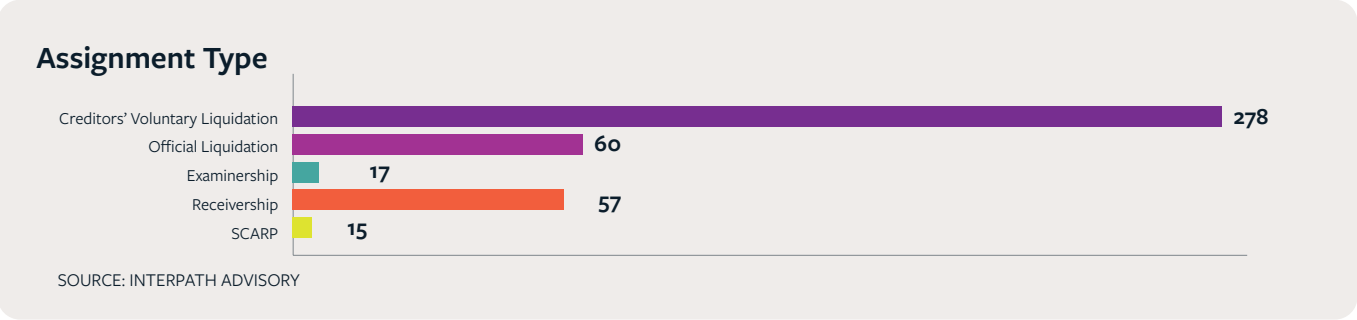


Insolvency Pulse

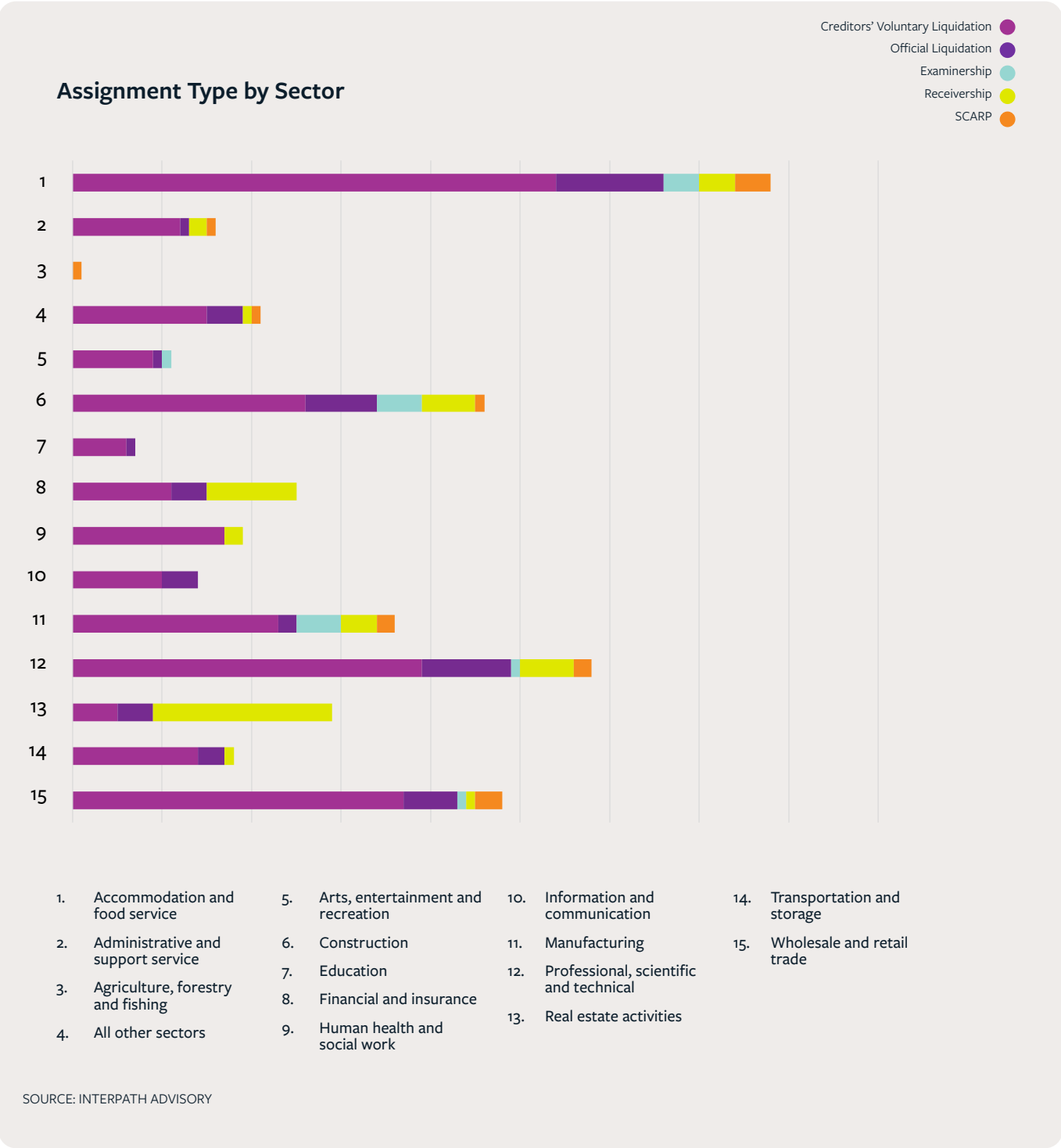
Data provided by Interpath Advisory shows a total of 427 insolvencies were recorded in H1 2025, which is a slight increase from 420 in H1 2024.



The majority of insolvencies in H1 2025 have been voluntary liquidations.



Although there is considerable variation in type of insolvency by sector.



Fitzgerald Power is a leading financial advisor to the Irish SME sector.

We provide accountancy, corporate finance and taxation advice to businesses across the country.

We'd love to hear from you so please get in touch if you think we can help.

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